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Submission to the Ministry of Business, Innovation & Employment to the Consultation on the Draft Minerals and Petroleum Resource Strategy

Introduction

- 0.1. The National Council of Women of New Zealand, Te Kaunihera Wahine o Aotearoa (NCWNZ) is an umbrella group representing over 200 organisations affiliated at either national level or to one of our 15 branches. In addition, about 450 people are individual members. Collectively our reach is over 450,000 with many of our membership organisations representing all genders. NCWNZ's vision is a gender equal New Zealand and research shows we will be better off socially and economically if we are gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right.
- 0.2. This submission has been prepared by the NCWNZ Climate Change and Environment Standing Committee based on relevant NCWNZ Resolutions and submissions, as well as consultation with NCWNZ branches, individual members and member organisations. The number of responses from our members indicates the high level of interest in this Abortion Legislation Bill.

1. Vision

Do you agree or disagree with the overall vision for the minerals and petroleum sector in New Zealand? Disagree

- 1.1. This appears to be a business as usual vision despite there being a known climate crisis. NCWNZ is unsure the strategy is able to be delivered and is unclear 'how' it can deliver value for all New Zealanders in an environmentally and socially responsible way. We have concerns that this approach takes the "value" with environmental and social trade-off in a climate crisis. We would like to see the vision go further in limiting emissions from fossil fuels. A recent report from the think tank Carbon Tracker¹ showed that globally the oil and gas in projects already sanctioned will take us past 1.5 degrees with every major oil company investing in projects that are contrary to the Paris goals.

¹ <https://www.carbontracker.org/reports/breaking-the-habit/>

- 1.2. A Nature paper² published in July this year tells us that to limit warming to 1.5 degrees governments must prohibit all new infrastructure that emits CO₂ and retire existing infrastructure as soon as possible. The calculation does not include emissions from agriculture or the emissions involved in getting the fossil fuels out of the ground.
- 1.3. If the government is committed to moving to a carbon neutral economy, where economic growth is not 'at the expense of the environment' as stated in the Foreword to the strategy, all new fossil fuel exploration must be halted. Research last month in Scientific American³ demonstrates that climate scientists, have under estimated the pace and severity of climate change.

What is your vision for the minerals and petroleum sector in New Zealand?

- 1.4. There is currently significant and concerning dependence on the mineral and petroleum sectors in the NZ economy as detailed in this strategy document. In order to stay below the 2-degree C temperature increase target agreed upon in Paris approximately two thirds of fossil fuels reserves will need to be left underground or be stranded.
- 1.5. Our vision for the sector is to transition away rapidly from the fossil fuel/petroleum sector and prohibiting new exploration licensing.
- 1.6. The proposed Framework should focus on reducing petroleum industry with a clear time line for commitment. It should put climate action considerations at the forefront and 'modernise' this sector policy.
- 1.7. There is place for climate litigation, through which citizens, sub-national governments and NGOs can hold governments and corporations accountable for their contributions to climate change.
- 1.8. Reporting on carbon emissions and efficiency of use of presently extracted minerals and the petroleum/fossil fuel sector should be required.
- 1.9. The sector is seen in isolation from other renewable energy sectors and should be taken strategically as a collective, to support transitioning that supports New Zealand's energy needs.
- 1.10. There is no distinction made between fossil fuels, which must go to zero as fast as possible because they are driving climate change, and other minerals which should be assessed on their environmental impact. There is no distinction made between aggregates, rock used for roading and concrete which are abundant and can be mined with low impact, and minerals like gold which cause major environmental disruption.
- 1.11. There should be separate strategies for fossil fuels and other less polluting minerals such as road aggregates.

² <https://www.nationalgeographic.com/environment/2019/07/we-have-too-many-fossil-fuel-power-plants-to-meet-climate-goals/>

³ <https://logs.scientificamerican.com>

How can New Zealand sustainably derive value from its petroleum and minerals resources?

- 1.12. Transition away from petroleum and fossil fuel resources towards renewable sources, including mineral resources mined in an environmentally, socially and culturally responsible way. The 2017 World Bank report on clean energy transition emphasises the importance of ensuring appropriate mechanisms are in place to safeguard local communities and the environment. Greater emphasis needs to be placed on 'climate smart mining techniques which focus on sustainable and environmentally responsible mining operations' (p.5)⁴. We would also encourage the addition of 'culturally responsible'.
- 1.13. A forward thinking framework should provide clear understanding of how the renewable energy sector can most effectively contribute to the UN Sustainable Development Goals, and the implications of the SDGs for the industry's future operations. Special attention should be paid to the interconnections of the sector, including not only climate change but also the human rights framework within the SDGs.
- 1.14. The potential impacts of investment in renewable energy projects must also be cognisant of the rights of local individuals and communities.
- 1.15. A vision for the sector should also include how NZ will be planning for and managing hydrocarbon reserves and correlated infrastructure that will be "stranded" in the process of decarbonisation.
- 1.16. It should also include a vision for reclaiming and repurposing already used materials in a sustainable manner. This is an essential part of the strategy that requires further development as a circular economy.

2. Objectives for the minerals and petroleum sector

Objective for a sector that: "Responsibly delivers value for New Zealand (a) Supporting a productive, sustainable and inclusive economy (b) Supporting New Zealand's transition to a carbon neutral economy" Disagree

- 2.1. We do not believe that these objectives are deliverable in the current political and financial climate.
- 2.2. There is a lack of explanation as to how these objectives can all be achieved. Even with a major tightening of regulatory tools at all sections of the value chain, including protecting the natural environment, water and air quality, and human rights, we do not believe they can be consistently delivered. Significant trade-offs would take place including further greenhouse gas emissions.

Objective for a sector that: "Is productive and innovative". Neither agree nor disagree

- 2.3. It is desirable that the sector is productive and innovative, but not at the expense of the climate, natural environment, our collapsing eco systems and community wellbeing. There is lack of clarity as

⁴ <https://www.worldbank.org/en/news/press-release/2017/07/18/clean-energy-transition-will-increase-demand-for-minerals-says-new-world-bank-report>

to the meaning of “productive” and this must not come with trade-offs to our active commitment to the Paris Agreement in reaching targets in a timely manner.

- 2.4. Including gender balance in the decision process will increase the opportunity for creative thinking and innovation.

Objective for a sector that: “Is effectively regulated”. Strongly agree

- 2.5. It is essential that strong regulation of the sector is established by an independent arm of the Crown through Parliament to enable transparency of emissions, and the costs and benefits of sector for New Zealand as timelines for transition are delivered. Clear budgets, accounting practice, targets, monitoring and reporting must be established for the petroleum/fossil sector. There is significant risk including to the natural environment, to our ecosystems, water and air quality without effective regulation, monitoring and reporting against prescribed national standards. It is too important to leave for regional or territorial authorities to set standards and to regulate.

Are there any other objectives for the minerals and petroleum sector that you would like us to consider in the strategy?

- 2.6. Objectives that transition out as soon as possible the exploration and extraction and product use of coal, oil, gas including fracking in accordance with a timeframe that addresses our Paris Agreement commitment.
- 2.7. NCWNZ would like to see a re-work of the strategy so that it provides for a sector that delivers in a fully transparent manner on New Zealand’s commitments to the Paris Agreement.
- 2.8. A re-work of the strategy that separates fossil fuels, oil, gas and fracking from mineral extraction that does not have the same imperative to transition from.
- 2.9. Objectives that include a delivery framework that embraces the UN Sustainable Development Goals 2015.
- 2.10. Objectives that will end new fossil fuel exploration on land and at sea.
- 2.11. Objectives to ensure the protection of water and air quality and community wellbeing in all exploration and extraction.
- 2.12. Objectives to ensure that indigenous vegetation biodiversity and eco systems will be protected from exploration and mining interests.
- 2.13. Objectives to provide for social and cultural wellbeing including human rights and gender equality.
- 2.14. Decision-making that includes gender equality.

3. Guiding principles

Do you agree or disagree with each of the following principles to guide everyone (including the Crown and industry)?

- 3.1. The word “respected” should be replaced by “protected” in all of these principles. We would particularly like to emphasise the importance of respecting the environment and cultural interests

and human rights as the first principles. and also the strength of a focus on a circular economy – the transition to a carbon neutral economy will require the extraction of rare minerals and production of the means to attain this (through alternative energy plants, transport etc.) so it is important to embed the means wherever possible for closed loop resource use. As the strategy details, achieving a circular economy will also require ‘changing societal attitude towards the lifecycle of products, incentivising businesses to innovate and adopt resource efficient processes, and a practical framework and policies to help guide businesses and consumers towards a circular economy’ (p.37). This is a critical component of the move to a carbon neutral economy.

Principle: The environment, ecosystems, and biodiversity are respected now and in the long term. Strongly disagree

- 3.2. “Respected” should be replaced by “protected”. We must not overlook that our environment has already been heavily modified and further erosion/mitigation should not be permitted. It is what sustains all life. Some of our ecosystems collapsing from present modifications that cannot sustain further erosion.

Principle: Māori cultural interests are understood and respected. Agree

- 3.3. This should not provide licence to undermine the quality of our environment – water and air quality etc.

Principle: Support the transition to a carbon neutral economy by 2050. Agree

- 3.4. Steps need to be taken to set budgets and targets and tight timelines to bring forward the date of delivery. The sooner the transition is achieved to a carbon neutral economy the sooner it will address the pressing challenges of temperature rise. An aggressive and innovative approach will provide global leadership.

Principle: The impact on people, communities and regions are managed in a just and inclusive way. Strongly agree

- 3.5. This should be managed in a manner that includes the protection of the natural environment, community wellbeing and human rights.
- 3.6. Siloed frameworks do not deliver robust outcomes, remembering the necessity to move beyond business as usual.
- 3.7. The tension between financial /economic outcomes and community wellbeing must not be able to override the protection of the natural environment. The longer term costs must also be accounted for.

Principle: Support a circular economy by meeting resource needs through resource efficiency, recycling and reuse. Strongly agree

3.8. Refer above.

Principle: Actions taken within the mineral and petroleum sector should align with the strategic direction of other related sectors and Government strategies. Neither agree nor disagree

Do you agree or disagree with each of the following principles for the Crown?

3.9. Yes, with the exception of existing permits. We welcome the 2018 ban on oil and gas exploration but to allow existing permits to continue extraction, and to begin new exploration (e.g. OMV) undermines the government's commitment to moving to a carbon neutral economy. Continuing existing permits would elevate private rights above the public good in relation to the compelling issues of climate change. New exploration could result in fossil fuel extraction for the next 50+ years (according to the petroleum lifecycle on p.18). In terms of 'best evidence' it is critical to continue investing in the development of new research and technologies which can assist us to lead the way in climate smart energy production (e.g. see for example *Building batteries that go beyond lithium*⁵)

Principle: The Crown honours its duty towards Māori as a Treaty partner, adheres to the Principles of the Treaty of Waitangi and its duty to meet settlement commitments. Strongly agree

3.10. Not if it provides for a business as usual approach that compromises the natural environment for other outcomes such as productivity or profit. We are all in the same waka.

Principle: The Crown receives a fair financial return for its minerals and petroleum. Neither agree or disagree

3.11. Unsure what "fair" means. Not at the expense of protecting our natural environment and the wellbeing of communities and human rights, that must come first without trade-off of carbon emissions.

3.12. Financial returns should remain on shore.

Principle: The Crown regulates in a way that is fair, transparent, reasonable and proportionate. Agree

3.13. There is still the necessity for a whole of government shift to embrace the criticality of climate change in all policy. The value set of what is fair is not defined. Environment, community wellbeing

⁵ <https://thespinoff.co.nz/science/09-03-2019/building-batteries-that-go-beyond-lithium/>

and human rights are not adequately identified in the proposed strategy above. There is risk of a business as usual approach from certain Crown/government agencies.

Principle: The Crown honours the rights of current permit holders to continue production or exploration activities under existing permits. Disagree

3.14. There should be a planned phase out.

Principle: The Crown makes policy decisions based on the best evidence, and accounting for the foreseeable need for minerals and petroleum, both now and for future generations.

Disagree

3.15. Policy decisions of the Crown should be based on strong frameworks and quality evidence. Being informed by off shore global best practice is also essential. There is concern that the strategy through the Crown will perpetuate a business as usual approach to serve the purposes of the Crown, with trade-offs on carbon emissions.

Principle: The Crown proactively engages and consults with relevant stakeholders and decisions are communicated in a clear and transparent way. Strongly agree

3.16. All New Zealanders are “relevant” stakeholders for consultation, where there are off-sets against carbon emissions, the environment, community wellbeing and human rights in the face of climate change.

Principle: Pursue continuous improvements in health and safety. Strongly agree

3.17. Worker safety is critical and risks are higher in the mining industry, including lithium and cobalt mining that is relatively new to NZ.

3.18. Health and safety should include air and water quality effects from the industry for human and bio diversity wellbeing and food chains.

Principle: Strive to implement industry best practice in operations. Strongly agree

3.19. Use off shore examples of best practice.

Principle: Seek innovative ways to improve the resource efficiency of extraction operations; and minimise the negative impacts of these operations. Strongly agree

3.20. This should also include ways to improve resource efficiency of the subsequent use of the resources including the circular economy.

3.21. Leakage and loss of the mined resources should be monitored and controlled at every sector of the value chain.

Principle: Engage with stakeholders and implement management systems to understand and manage impacts, and realise opportunities for redress where needed. Agree

- 3.22. NCWNZ agrees to a point but questions which stakeholders understand an extractive industry sufficiently to seek the most effective redress against the impacts on the environment and community wellbeing? There are new issues coming out of climate change that render the extractive industries more challenging with foci on water and air quality, indigenous land cover, human rights etc. With the climate crisis all New Zealanders are stakeholders and should be consulted on key policy and exploration proposals.

Are there any other principles you would like us to consider in the strategy?

- 3.23. There appears to be a lack of coherence in the strategy. On the one hand there appears to be a commitment to a carbon neutral economy, while on the other hand undertaking extraction and mining and the challenging actions and adverse effects of these carbon emitting and polluting activities.

4. Action areas

Action Area: Modernising the Crown Minerals Act. Agree

- 4.1. The Act must ensure a rapid transition from fossil fuel/ petroleum extraction and ensure it protects the natural environment, community wellbeing and human rights. The concomitant tensions with economic growth must be carefully accounted for, in terms of meeting our commitments under the Paris Agreement as a matter of urgency.

What future actions would you like us to consider under this Action Area?

- 4.2. Carbon budgets, targets and monitoring and reporting as part of a whole of government approach to climate change; Gender equal principles applied to all decision making.

Action Area: Securing affordable resources to meet our minerals and energy needs. Neither agree or disagree

- 4.3. There is inadequate investment in alternative green energy that must supersede the energy sources that are carbon emitters and polluters.

What future actions would you like us to consider under this Action Area?

- 4.4. Invest more resources in green energy.

Action Area: Improving Treaty partnership. Neither agree or disagree

What future actions would you like us to consider under this Action Area?

- 4.5. Consultation with iwi in relation to mining on wahi tapu areas.

Action Area: Improving stakeholder and community engagement. Strongly agree

4.6. Essential.

What future actions would you like us to consider under this Action Area?

4.7. Recognition of the human rights and gender equality implications of future actions. The UN SDG's provide for a framework. CEDAW⁶ provides information on effects on gender including climate change, that offers future actions.

Action Area: Improving industry compliance. Strongly agree

4.8. Essential.

4.9. RMA strengthened to protect the natural environment, water and air quality and community wellbeing. It is presently permissive and does not provide for the necessary protections in a climate emergency. The process of implementation under the RMA can also be slack with only very costly redress for affected parties through the courts.

What future actions would you like us to consider under this Action Area?

4.10. National Standards. There is considerable concern with lithium and cobalt mining in relation to adverse effects on water, air, and indigenous land cover. Reports from Canada, Australia etc. give cause for concern.

Action Area: Research and investment in better mining and resource use. Neither agree or disagree

4.11. NCWNZ is unclear what this question actually means? Research and investment in cleaner more efficient mining and resource use is supported only on the basis that outcomes reduce greenhouse gas emissions.

What future actions would you like us to consider under this Action Area?

4.12. Research on how infrastructure can better use resources and how steel and concrete can be more sustainably manufactured; research and investment into the timber industry such as CrossLam that has strength for high rise foundations and construction.

Are there any other action areas you would like us to consider as part of advancing this Strategy?

4.13. It is noted that some locations where lithium/cobalt has been located in NZ are in areas identified in regional and district plans to have sensitive and outstanding natural landscapes. For example, in the

⁶ <https://www.ohchr.org/EN/ProfessionalInterest/Pages/CEDAW.aspx>

Taupo area and the Rotorua lakes. These areas located on the volcanic plateau carry a high heritage, ecological, and landscape value that is well documented. Mining would heavily compromise these values. Further, the areas are in sensitive water catchments with declining water quality and declining ecological values. Lithium mining pollutes water, rendering it unfit to drink or to eat fish from. The proposed site at Ohaaki is close to the Waikato River, the source of much of Auckland's drinking water.

- 4.14. Friends of the Earth report the lithium extraction inevitably harms the soil and causes air and soil contamination⁷. There are reports of contaminated streams used by humans and livestock and for crop irrigation. In Chile there are clashes between mining companies and local communities with discarded salt and canals filled with contaminated water. "Like any mining process it is invasive, it scars the landscape, it destroys the water table and it pollutes the earth and the local wells, states G Gonzales a lithium expert from the University of Chile. "This isn't a green solution. It's not a solution at all".
- 4.15. Research in last month's in Scientific American demonstrates that climate scientists, have underestimated the pace and severity of climate change.
- 4.16. We must ensure we balance the protection of our natural environment and community wellbeing against the risks of mining.

5. Summary

- 5.1. In summary, the tensions between minerals for green technologies and mining need to be addressed with a sound value-based framework to protect the natural environment and community wellbeing.
- 5.2. The strategy needs reworking to provide for the critical demands of our changing climate and the necessity that we meet our Paris Agreement commitment as soon as possible. The transitions should be as rapid as can be sustained.



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⁷ <https://www.wired.co.uk/article/lithium-batteries-environment-impact>